

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 165 – HB 504

April 2, 2009

SUMMARY OF BILL: Combines the Registry of Election Finance and the Tennessee Ethics Commission into the Commission of Ethics and Election Finance. The current executive director of the Registry shall become the executive director of the Commission of Ethics and Election Finance and current staff of the Tennessee Ethics Commission shall continue to serve under the executive director of the newly created commission.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$25,000/One-Time
Decrease State Expenditures - \$36,600/Recurring**

Other Fiscal Impact – Transfers funding and staff from the Ethics Commission to the Commission of Ethics and Election Finance and retains the executive director of the Registry of Election Finance as the executive director of the new Commission. The new Commission would take over those functions that are currently being performed by the Ethics Commission such as registration of lobbyists and employers of lobbyists, collection and review of annual financial disclosure of interest statements, enforcement, ethics training, and issuing informal responses and formal advisory opinions. Nine staff positions are attached to the Ethics Commission with a budget of \$895,900 for FY09-10. Merging the two offices is expected to result in an overall cost savings to the state of approximately \$11,600.

Assumptions:

- No positions will be eliminated due to the merger of the Registry of Election Finance and the Tennessee Ethics Commission.
- It is anticipated that no salaries will be changed due to the merger.
- One or both agencies may be required to move locations since current office space of either agency may be insufficient for a merged staff. Estimated one-time moving cost of \$15,000 to merge the two offices.

- The Ethics Commission currently has a lease which cannot be terminated at will and extends through June 30, 2013. According to the Real Property Administration Division, there is a good possibility that the lease could be terminated with just cause. It is estimated that there would be a cost savings if the two offices are merged together into one space. In FY09-10, the Ethics Commission's lease is \$52,558 and the Registry's lease is \$46,359. The Registry's lease would be increased by some amount due to the increase in square footage for the additional personnel if such lease space is available. The estimated decrease in cost to the Ethics Commission would be \$52,558 and the estimated increase in cost to the Registry for additional lease space would be approximately \$25,000 per year for a net savings of \$27,558.
- An estimated savings of \$3,500 due to eliminating the lease of one copy machine which will no longer be needed.
- An estimated one-time cost of approximately \$10,000 which includes name changes to the Internet portal for lobbyist registration and disclosure of interest statements; printing costs to reflect name changes for the on-line payment of credit card fees and printing new disclosure of interest statements to reflect the agency's change of name and address.
- Training employees in campaign finance and ethics law is estimated to be not significant and can be done in-house with current staff.
- Decrease in state expenditures of \$5,500 per year for meeting costs due to the elimination of the Ethics Commission members.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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